

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:

01 - 25

2. STATE
NC

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

December 1, 2001

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.201 and 42 CFR 447.331

7. FEDERAL BUDGET IMPACT:

a. FFY **02** \$ **(\$30,181,855)**

b. FFY **03** \$ **(\$39,534,906)**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Section 12, Pages 1 and 1a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-B, Section 12, Pages 1 and 1a

10. SUBJECT OF AMENDMENT:

Dispensing Fee for Prescribed Drugs and Payment for Drugs

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED: Not Required

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Carmen Hooker Buell

13. TYPED NAME:

Carmen Hooker Buell

14. TITLE:

Secretary

15. DATE SUBMITTED:

December 20, 2001

16. RETURN TO:

Office of the Secretary
Department of Health and Human Services
2001 Mail Service Center
Raleigh, North Carolina 27699-2001

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

December 27, 2001

18. DATE APPROVED:

June 27, 2002

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

December 1, 2001

20. SIGNATURE OF REGIONAL OFFICIAL:

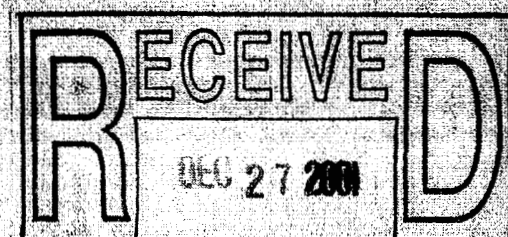
Hugh A. Nabel for Eugene A. Grasser

21. TYPED NAME:

Eugene A. Grasser

22. TITLE: **Associate Regional Administrator
Division of Medicaid and State Operations**

23. REMARKS:



DIVISION OF MEDICAID & STATE OPERATIONS
REGION IV

MEDICAL ASSISTANCE
State: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

12. Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.

- a. Prescribed drugs.

Multiple source and other drugs will be reimbursed at the lowest of: the estimated acquisition cost as described below plus a reasonable dispensing fee, the provider's usual and customary charge to the general public, the amount established by the North Carolina State determined upper payment limit plus a reasonable dispensing fee (this provision does not apply when there is only one enrolled pharmacy provider in the county), or the CMS upper limit plus a reasonable dispensing fee. A dispensing fee will not be paid for prescriptions refilled in the same month, whether it is the same drug or generic equivalent drug.

Multiple Source Drugs - North Carolina has implemented the list of drugs and their prices as published by the CMS and a State determined list of multiple source drugs. All drugs on this list are reimbursed at limits set by CMS or the State unless the physician writes in his own handwriting on the face of the prescription "brand necessary, dispense as written," or words of similar meaning.

TN No. 01-25
Supersedes
TN No. 89-09

JUN 27 2002
Approval Date _____ Eff. Date 12/01/01

MEDICAL ASSISTANCE
State: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

B. North Carolina Estimated Acquisition Cost (NCEAC)

NCEAC is defined as the reasonable and best estimate of the price paid by providers for a drug as obtained from a manufacturer or other legal distributor. As determined by the Division the reasonable and best estimate is based on the average wholesale price (AWP) less 10 percent. For the AWP information the Division uses the First Databank Price Update Service, manufacturer's price list, or other nationally published sources. Telephone contact with manufacturer or distributors may be utilized when a published source is not available.

C. Dispensing Fees

Dispensing fees are determined on the basis of surveys that are conducted periodically by Division of Medical Assistance (DMA) or other recognized sources and takes into account various pharmacy operational costs, such as salary, overhead, etc. Between surveys the dispensing fee may be adjusted based upon various factors, i.e., Consumer Price Index (CPI). The Division reviews the fees of the other states and other information (i.e., National Pharmacy Surveys). The dispensing fee is paid to all providers for the initial dispensing. Refills within the same month are not paid a dispensing fee. The dispensing fee is \$5.60 for generic drugs and \$4.00 for brand name drugs.

TN No. 01-25
Supersedes
TN No. 92-24

JUN 27 2002
Approval Date _____ Eff. Date 12/01/01